# Alberta Forest Products Industry Overview and Economic Impact

Alberta

## Key Economic Indicators

| **Revenue** | | (millions of dollars) |
|---|---|---|
| Direct: | | |
| Pulp & Paper | ($1.53 billion) | 1,534 |
| Panelboard & Related Products | | 706 |
| Lumber | ($1.35 billion) | 1,350 |
| Logging | ($1.06 billion) | 1,067 |
| Value Added | | 231 |
| **Total Direct Revenue** | ($4.88 billion) | **4,888** |
| **Total Indirect & Induced Revenue** | ($3.55 billion) | **3,554** |
| **Total Revenue** | ($8.44 billion) | **8,442** |
| Provincial Corporate Income Tax | | 166 |
| Provincial Personal Income Tax | | 225 |
| Property Tax | | 81 |
| Stumpage/Protection Charges | | 92 |
| **Direct Expenditures** | ($3.38 billion) | **3,387** |

| **Average Industry Production** | |
|---|---|
| Lumber (thousand board feet) | 2,400,000 |
| Panelboard (thousand square feet, 3/8") | 1,940,000 |
| Pulp & Paper (air dried tonnes) | 2,219,000 |
| Value Added/Remanufactured Lumber (thousand board feet) | 400,000 |
| **Direct Employment** | **25,252** |

| **1997 Export Shipments** | (millions of dollars) | |
|---|---|---|
| Lumber | | 600 |
| Pulp & Newsprint | ($1.43 billion) | 1,436 |
| Panelboard & Related Products | | 266 |
| Value Added | | 146 |
| Total | ($2.44 billion) | **$2,448** |

**Timber Supply Allocation**

| | Coniferous ($m^3$) | Deciduous ($m^3$) | Coniferous (board ft) | Deciduous (board ft) |
|---|---|---|---|---|
| FMA | 8,156,201 | 5,643,254 | 3,450,073,023 | 2,387,096,442 |
| Quota | 3,840,555 | 3,753,020 | 1,624,554,765 | 1,587,527,460 |
| Other | 1,196,002 | 468,840 | 505,908,846 | 198,319,320 |
| **Total** | 13,192,758 | 9,865,114 | 5,580,536,634 | **4,172,943,222** |
| Total AAC | 13,369,038 | 9,970,895 | 5,655,103,074 | 4,217,688,585 |
| **Grand Total** | **23,339,933 $m^3$** | | **9,872,791,659 bft** | |

**Glossary of Forest Industry Terms & Measurements**

**AAC** Annual allowable cut. The volume of timber that can be harvested on a sustainable basis

**Air-dried tonne** A typical measure for pulp and paper

**BCTMP** Bleached chemi-thermo-mechanical pulp

**Board foot** A typical measure for lumber–normally in thousand board feet

**Coniferous** Cone-bearing, softwood(e.g. spruce, pine and fir); used for pulp, lumber, and plywood

**Conversion of cubic metre ($m^3$) of logs to board feet** $m^3$ = 423 board feet on solid wood basis

**Deciduous** Typically broad-leaved, hardwood (e.g. poplar and birch); used for oriented strandboard, pulp and lumber

**DTA** Deciduous Timber Allocation, a type of timber tenure similar to coniferous timber quotas

**FMA** Forest Management Agreement, a type of timber tenure

**LVL** Laminated veneer lumber

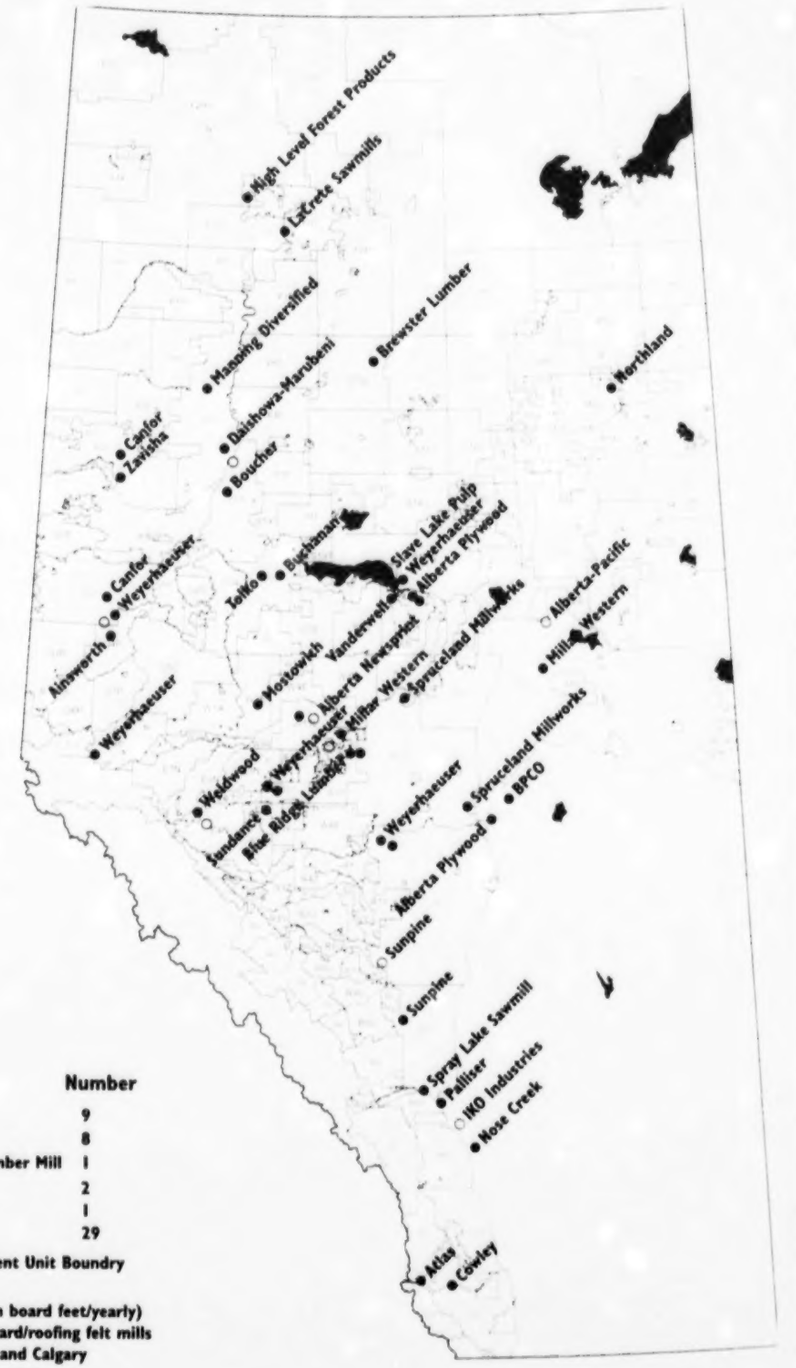
**MDF** Medium density fibreboard

**OSB** Oriented strandboard

**Quota** Volume-based timber tenure

**Square foot** A typical measure for panelboard with thickness of 3/8" for OSB, LVL and plywood, and 3/4" for MDF

## Major Mills in Alberta




| Type of Facility | Number |
|---|---|
| ○ Pulp Mill* | 9 |
| ● Panelboard Mill | 8 |
| ● Laminated Veneer Lumber Mill | 1 |
| ● Value Added | 2 |
| ● Newsprint | 1 |
| ● Sawmill | 29 |

—— Forest Management Unit Boundry

Qualifier for Sawmill
(greater than 10 million board feet/yearly)
* Includes two paperboard/roofing felt mills located in Edmonton and Calgary

## Key Forest Industry Facilities

| | Mill Type | Regional Capacity | | Direct Regional Employment |
|---|---|---|---|---|
| **Grande Prairie** | | **Grande Prairie** | | |
| Weyerhaeuser Canada Ltd. | Sawmill | Sawmill | 425000 | |
| Weyerhaeuser Canada Ltd. | Pulpmill | Pulp & Paper | 290000 | |
| Canfor Corporation | Sawmill | Panelboard | 510000 | |
| Ainsworth Lumber Co. Ltd. | OSB | | | 1210 |
| Weyerhaeuser (Grande Cache) | Sawmill | | | |
| **Hinton/Edson** | | **Hinton/Edson** | | |
| Weldwood of Canada | Pulpmill | Sawmill | 317000 | |
| Weldwood of Canada | Sawmill | Pulp & Paper | 385000 | |
| Yellowhead Wood Products | Value Added | Panelboard | 340000 | |
| Sundance Forest Industries | Sawmill/Reman | Value Added | 3184 | |
| Weyerhaeuser Canada Ltd. | OSB | | | 1545 |
| **Whitecourt** | | **Whitecourt** | | |
| Alberta Newsprint | Pulp & Paper | Sawmill | 433000 | |
| Blue Ridge Lumber | Sawmill | Pulp & Paper | 475000 | |
| Blue Ridge Lumber | MDF | Panelboard | 110000 | |
| Millar Western Pulp BCTMP | Pulpmill | | | 1526 |
| Millar Western Industries | Sawmill | | | |
| Mostowich Lumber | Sawmill | | | |
| **Rocky Mountain House/Sundre** | | **Rocky Mountain House/Sundre** | | |
| Sunpine Forest Products | LVL | Sawmill | 159209 | |
| Rocky Wood Preservers | Sawmill/Wood Treatment | Panelboard | 140000 | |
| Robert John McLean | Sawmill | | | 451 |
| Dale Hansen | Sawmill | | | |
| Franklin Gray | Sawmill | | | |
| Cyrill Cech | Sawmill | | | |
| Sunpine Forest Products | Sawmill/Wood Treatment | | | |

| | Mill Type | Regional Capacity | | Direct Regional Employment |
|---|---|---|---|---|
| **Calgary & Southern Alberta** | | **Calgary & Southern Alberta** | | |
| Spray Lake Sawmills | Sawmill | Sawmill | 115000 | |
| IKO Industries | Paperboard/Roofing Felt | Pulp & Paper | 59000 | |
| Nose Creek Forest Products | Value Added | Value Added | 150000 | |
| Palliser Lumber Sales | Value Added | | | 693 |
| Cowley Forest Products | Sawmill | | | |
| Atlas Lumber | Sawmill | | | |
| **Peace River/High Level/La Crete** | | **Peace River/High Level/La Crete** | | |
| Daishowa Marubeni International | Pulpmill | Sawmill | 541385 | |
| Brewster Construction (DMI) | Sawmill | Pulp & Paper | 390000 | |
| Boucher Bros. Lumber | Sawmill | | | 1418 |
| Canfor Corporation | Sawmill | | | |
| Zavisha Sawmills | Sawmill | | | |
| Manning Diversified Forest Products | Sawmill | | | |
| Daishowa Marubeni International | Sawmill | | | |
| Zama Mills | Sawmill | | | |
| La Crete Sawmills | Sawmill | | | |
| **Athabasca/Fort McMurray** | | **Athabasca/Fort McMurray** | | |
| Alberta-Pacific Forest Industries Inc. | Pulpmill | Sawmill | 191259 | |
| St. Jean Lumber | Sawmill | Pulp & Paper | 530000 | |
| Frank Jacob Crawford | Sawmill | | | 1315 |
| Tara Forest Products | Sawmill | | | |
| Millar Western Industries | Sawmill | | | |
| Northland Forest Products | Sawmill | | | |

| | Mill Type | Regional Capacity | | Direct Regional Employment |
|---|---|---|---|---|
| **Slave Lake/High Prairie** | | **Slave Lake/High Prairie** | | |
| Weyerhaeuser Canada Ltd. | OSB | Sawmill | 262500 | |
| Alberta Plywood Ltd. | Sawmill | Pulp & Paper | 160000 | |
| Alberta Plywood Ltd. | Veneer | Panelboard | 925000 | |
| Slave Lake Pulp Corporation | BCTMP Pulpmill | | | 1024 |
| Vanderwell Contractors (1971) Ltd. | Sawmill | | | |
| Timeu Forest Products | Sawmill | | | |
| Tolko Industries | OSB | | | |
| Buchanan Lumber | Sawmill | | | |
| **Drayton Valley** | | **Drayton Valley** | | |
| Weyerhaeuser Canada Ltd. | OSB | Sawmill | 160601 | |
| Tall Pine Timber Co. | Sawmill | Panelboard | 369000 | |
| Weyerhaeuser Canada Ltd. | Sawmill | | | 321 |
| **Edmonton** | | **Edmonton** | | |
| BPCO Inc. | Paperboard/Roofing Felt | Pulp & Paper | 30000 | |
| Alberta Plywood Ltd. | Plywood Plant | Panelboard | 180000 | |
| Spruceland Millworks | Value Added | Value Added | 356000 | |
| Westmark Products Ltd. | Value Added | | | 522 |
| Clareco Industries | Value Added | | | |
| Treeline Wood Products | Value Added | | | |
| Western Archrib | Value Added | | | |
| Grove Lumber | Value Added | | | |
| Moen Lumber | Value Added | | | |
| Millar Western/Taiga | Value Added/Wood Treatment | | | |
| Park Country Lumber | Value Added | | | |

**Units of measure shown under Regional Capacity are reflected as:** Lumber: thousand board feet; Panelboard: thousand square feet (3/8" measurements for OSB, LVL and plywood and 3/4" measurements for medium density fibreboard.); Pulp: air dried tonnes; Value Added: thousand board feet

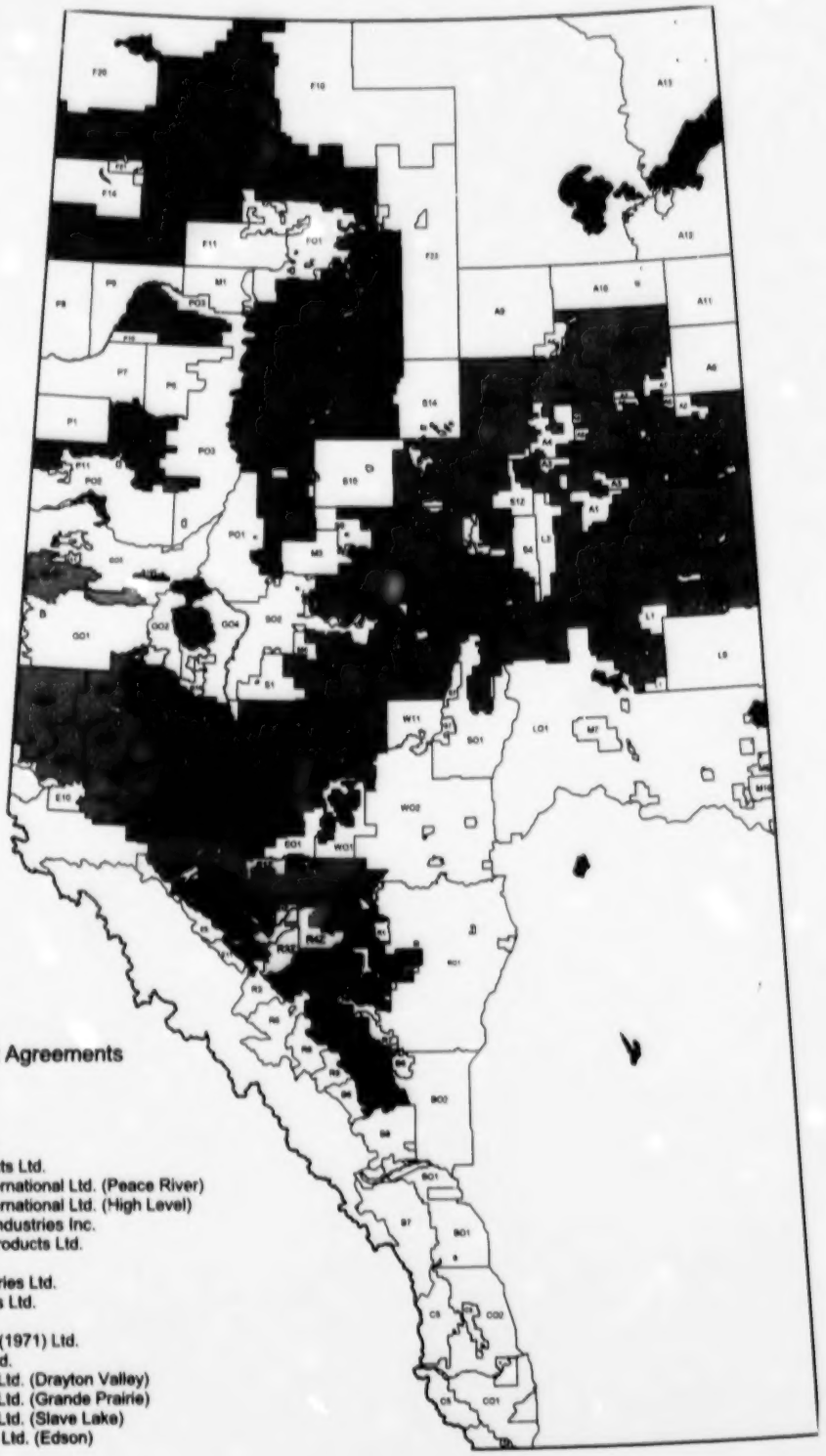
## Economic Contributions by Region

| | Grande Prairie/ Grande Cache | Hinton/Edson | Whitecourt | Rocky Mountain House/Sundre | Calgary/ Southern Alberta | Peace River/ High Level/ La Crete | Athabasca/ Fort McMurray | Slave Lake/ High Prairie | Drayton Valley | Edmonton | TOTAL |
|---|---|---|---|---|---|---|---|---|---|---|---|
| TIMBER ALLOCATION* | | | | | | | | | | | |
| Coniferous ($m^3$) | 2,609,508 | 2,455,102 | 2,098,349 | 870,727 | 418,396 | 1,801,447 | 963,138 | 1,199,633 | 224,261 | 0 | 12,640,560 |
| Deciduous ($m^3$) | 860,758 | 377,924 | 494,774 | 172,703 | 0 | 1,817,644 | 2,205,474 | 1,533,650 | 232,115 | 0 | 7,695,042 |
| Total | 3,470,266 | 2,833,026 | 2,593,123 | 1,043,430 | 418,396 | 3,619,091 | 3,168,612 | 2,733,283 | 456,376 | 0 | 20,335,602 |
| REVENUE | | | | | | | | | | | |
| Direct | 687,379,466 | 635,291,754 | 705,716,537 | 194,244,833 | 272,688,654 | 686,414,530 | 588,728,456 | 755,646,281 | 193,631,687 | 168,388,500 | 4,888,130,698 |
| Indirect and Induced | | | | | | | | | | | 3,553,621,084 |
| Total Revenue | 1,168,545,092 | 1,079,995,981 | 1,199,718,113 | 330,216,216 | 535,972,659 | 1,166,904,701 | 1,000,838,375 | 1,284,598,677 | 329,173,868 | 345,788,100 | 8,441,751,782 |
| EMPLOYMENT | | | | | | | | | | | |
| Direct | 3,444 | 4,091 | 3,915 | 980 | 1,066 | 4,040 | 3,954 | 2,430 | 810 | 522 | 25,252 |
| Indirect and Induced | 3,908 | 4,362 | 4,315 | 1,039 | 1,303 | 4,479 | 4,479 | 2,483 | 838 | 511 | 27,717 |
| Total Employment | 7,352 | 8,452 | 8,230 | 2,019 | 2,369 | 8,519 | 8,433 | 4,913 | 1,649 | 1,033 | 52,969 |
| PROVINCIAL CORPORATE INCOME TAX | 22,683,522 | 20,964,628 | 23,288,646 | 6,410,079 | 8,998,726 | 22,651,679 | 19,428,039 | 29,743,314 | 6,389,846 | 5,556,821 | 166,115,300 |
| PROVINCIAL PERSONAL INCOME TAX | 33,292,526 | 29,736,717 | 31,504,239 | 9,581,314 | 10,562,532 | 33,669,992 | 29,056,499 | 33,613,658 | 7,939,891 | 5,809,403 | 244,766,771 |
| PROPERTY TAX | 10,971,377 | 10,439,414 | 12,039,833 | 3,050,153 | 5,119,056 | 10,833,018 | 9,239,680 | 12,926,299 | 3,507,533 | 3,367,770 | 81,494,132 |
| STUMPAGE/PROTECTION CHARGES | 13,061,163 | 12,427,874 | 14,333,134 | 3,631,134 | 1,394,239 | 12,896,450 | 10,999,619 | 15,642,227 | 4,175,634 | 3,536,750 | 92,098,224 |
| EXPENDITURE | | | | | | | | | | | |
| Direct | 476,353,970 | 440,257,185 | 489,061,560 | 134,611,669 | 188,973,237 | 475,685,269 | 407,988,820 | 523,662,872 | 134,186,759 | 116,693,231 | 3,387,474,574 |
| Indirect & Induced | 809,801,749 | 748,437,215 | 831,404,653 | 228,839,838 | 321,254,504 | 808,664,958 | 693,580,994 | 890,226,883 | 228,117,490 | 198,378,492 | 5,758,706,775 |
| Total Expenditure | 1,286,155,719 | 1,188,694,400 | 1,320,466,213 | 363,451,507 | 510,227,741 | 1,284,350,228 | 1,101,569,814 | 1,413,889,756 | 362,304,250 | 315,071,722 | 9,146,181,349 |

* Does not include allocations that are pending

Note: The information in this pamphlet was prepared using publicly available information, Alberta Forest Products Association's "Economic Impact and Analysis of AFPA Member Operations," and KPMG file information. While all the figures are intended to reflect industry averages, the user assumes all responsibility.

# Alberta Forest Management Agreement Areas



Existing
Forest Management Agreements
November, 1999

- ANC Timber Ltd.
- Blue Ridge Lumber Ltd.
- Canadian Forest Products Ltd.
- Daishowa-Marubeni International Ltd. (Peace River)
- Daishowa-Marubeni International Ltd. (High Level)
- Alberta-Pacific Forest Industries Inc.
- Millar Western Forest Products Ltd.
- Slave Lake Pulp Corp.
- Sundance Forest Industries Ltd.
- Sunpine Forest Products Ltd.
- Tolko Industries Ltd.
- Vanderwell Contractors (1971) Ltd.
- Weldwood of Canada Ltd.
- Weyerhaeuser Canada Ltd. (Drayton Valley)
- Weyerhaeuser Canada Ltd. (Grande Prairie)
- Weyerhaeuser Canada Ltd. (Slave Lake)
- Weyerhaeuser Canada. Ltd. (Edson)

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